# GOVERNMENT OF INDIA
# COAL
# LOK SABHA

STARRED QUESTION NO:143
ANSWERED ON:02.08.2006
PRICING OF COAL
Chinta Mohan Dr.

**Will the Minister of COAL be pleased to state:**

(a) whether the price of coal in the country is not in conformity with the prevailing rates in open market due to the alleged monopoly of the Government sector in the field of coal mining;

(b) if so,the details thereof and if not, the facts thereof;

(c) whether the quality of coal has also declined but the prices have increased continuously due to lack of competition;

(d) if so, the reaction of the Government in this regard;

(e) whether the government proposes to determine price of coal in accordance with the competitive rates of imported coal; and

(f) if so, the time by which the said move is likely to be made?

## Answer

MINISTER OF THE STATE IN THE MINISTRY OF COAL (SHRI SHIBU SOREN) :

(a) to (f) A statement is laid on the Table of the House.

Statement

(a) and (b) The notified prices of coal produced by Coal India Limited are lower than the price of imported coal or the open market prices as reflected in the e-auction prices. Therefore, the public sector coal companies have not tried to take any undue advantage of the market conditions. Nearly 90% of coal is supplied at the notified prices.

(c) No, Sir.

(d) Does not arise in view of the reply to part (c) above.

(e) and (f) In terms of the Colliery Control Order 2000,the Government has no power to fix coal prices and the coal companies are competent to determine the coal prices,CIL decides the Coal prices taking into consideration various factors including the increase in input costs, market forces like demand of coal, change in landed price of imported coal, acceptability of price in the market, need for capital investment in new projects etc.